

DRAFT – Pending Final Legal Review

Sole Benefit Operation and LSPS Loop Reinstatement Agreement

This agreement (“Letter Agreement”) is entered this ____ day of January, 2021 (the “Effective Date”) by and between BP Exploration & Production Inc. (“BP”), Fieldwood Energy LLC (“Fieldwood”), Red Willow Offshore, LLC (“Red Willow”), and Houston Energy Deepwater Ventures I, LLC (“HEDV”); BP, Fieldwood, Red Willow, and HEDV are sometimes referred to herein individually as (“Party”) and collectively as (the “Parties”). Capitalized terms used and not otherwise defined herein shall have the meaning set forth in the PHA, as defined below and the LSPS OA, as defined below.

Recitals

WHEREAS, the LSPS Owners entered into that certain Loop Subsea Production System Construction and Operating Agreement effective December 1, 2011 by and between Fieldwood, BP, Red Willow, and HEDV, as amended, (“LSPS OA”); and

WHEREAS, the LSPS Owners entered into that certain Production Handling and Operating Services Agreement effective September 21, 2010 by and between Fieldwood Energy LLC (“Fieldwood”), BP Exploration & Production Inc. (“BP”), Red Willow Offshore, LLC (“Red Willow”) and Houston Energy Deepwater Ventures I, LLC (“HEDV”), as amended, (the “PHA”).

WHEREAS, an abnormality was observed on the LSPS, as referenced in BP’s Galapagos LSPS In-Situ Repair Proposal Letter and AFE dated December 10, 2020 AFE No. NKO393390; and

WHEREAS, Fieldwood, on behalf of itself, Red Willow, and HEDV sent a letter to the LSPS Operator dated December 24, 2020 proposing a Sole Benefit Operation (hereinafter referred to as the “Fieldwood Letter”). For the purposes of this Letter Agreement, Fieldwood, Red Willow, and HEDV shall be collectively referred to as (“Sole Benefit Operation Parties”); and

WHEREAS, the LSPS Operator conducted a bolt tightening operation per AFE No. NKO393390 that did not remediate the LSPS abnormality, completed the LSPS Single Flowline Feasibility Study work, (the “Feasibility Study”) under AFE No. NKO3923392, and determined it created an Adverse Impact to the Host and LSPS; and

WHEREAS, the Sole Benefit Operation Parties desire a sole Benefit Operation be proposed by the LSPS Operator that would accelerate operations to allow production from the Genovesa well to flow via a temporary flowline while the LSPS Operator commences a Major Non-Routine Expense and Operation to repair the LSPS and to bring the LSPS back to its operable state, (hereinafter referred to as “LSPS’ Functional Capability”).

NOW THEREFORE, in consideration of the promises, the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the LSPS Owners do hereby agree as follows:

Confidential

BP Exhibit 15

20-33948 (MI)

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Agreement

1. Major Non-Routine Expenses and Operations

Given the LSPS Operator's determination that the single flowline proposal by the Sole Benefit Operation Parties, causes an Adverse Impact to the LSPS or Host, the single flowline plan must include a plan to achieve LSPS' Functional Capability that is binding and enforceable against the LSPS Owners to mitigate the condition in accordance with Article 7.08 in the LSPS OA. In order to restore the LSPS to the LSPS' Functional Capability the LSPS Operator shall issue one or more informational AFEs (herein called "LSPS Loop Reinstatement AFE") to the LSPS Owners. Upon issuance of any such LSPS Loop Reinstatement AFE, no additional information or approval is required by the LSPS Owners to authorize the LSPS Operator to commence the work scope described therein. The LSPS Loop Reinstatement Execution AFE shall include a project execution plan containing engineering, procurement, and installation activities with reviewed cost and schedule estimate to support work breakdown structure.

The aggregate amount of all the LSPS Loop Reinstatement AFEs shall not exceed a gross total of \$40,000,000.00. The scope of any LSPS Loop Reinstatement AFE is for activities that will mitigate the LSPS leak on the impaired PLEM at Santa Cruz and replace the flowline segment (which consists of PLEM at SA, PLEM at SC and ~5,000 feet of flowline connecting the two), and reinstallation of permanent jumpers to return LSPS to its configuration prior to "Temporary Genovesa Single Flowline" operation, as defined below.

In furtherance of any LSPS Loop Reinstatement AFE, the LSPS Operator shall have the right to remove and tie-in jumpers including those deemed to be part of any Satellite Well System to enable safe construction operations in the field, determine the timing and scheduling of all activities and operations, including the temporary shut-in of any well, the LSPS, or both. All risks, costs, expenses and liabilities associated with the operations described in this provision is based on Equity Interest.

By executing this Letter Agreement, the LSPS Owners hereby approve the Major Non-Routine Expense and Operation to restore the LSPS to the LSPS' Functional Capability as described in this provision above. The LSPS Operator may commence at its discretion the approved operation upon issuing to the LSPS Owners the LSPS Loop Reinstatement AFE described above.

2. Sole Benefit Operation

Phase 1 – SA Jumper Removal AFE

While operations are being commenced to restore the LSPS' Functional Capability, the LSPS Operator on behalf of the Sole Benefit Operation Parties will conduct operations to secure production from the Genovesa well prior to the LSPS Loop Reinstatement AFE operation.

The LSPS Operator proposes activities operation that includes, but is not limited to the following scope ("SA Jumper Removal AFE"):

- a. Flush existing jumper between Santiago PLEM1 and Santiago PLEM2 with methanol from the Santiago tree; and

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- b. Removal of existing jumper between Santiago PLEM1 and Santiago PLEM2 and installation of pressure caps; and
- c. Installation of a permanent jumper between Santiago PLEM1 and Santiago PLEM2 (as required for loop remediation).

The SA Jumper Removal AFE scope and operation shall be carried out by the LSPS Operator, it shall be billed by the LSPS Operator to the Sole Benefit Operation Parties, based on the “Sole Benefit Operation Parties Equity Interest”, as defined below in Section 3. *LSPS Sole Benefit Operation Parties Equity Interest*, of this Letter Agreement. To the extent these operations are required for the LSPS Loop Reinstatement, the actual costs will be reimbursed by BP to the Parties proportionately as to the LSPS Equity Interest at the time the abnormality was identified via a joint interest billing credit at the time the LSPS Loop Reinstatement AFE operations commence.

The SA Jumper Removal AFE is attached hereto as Attachment 1 to this Letter Agreement. The Sole Benefit Operation Parties shall, simultaneously with execution of this Letter Agreement, execute the SA Jumper Removal AFE attached hereto as Attachment 1.

Phase 2 – Temporary Genovesa Single Flowline

As referred to within the Fieldwood Letter, a Sole Benefit Operation has been proposed by the Sole Benefit Operation Parties; that operation being the implementation and installation of a Genovesa well’s temporary configuration.

For the purposes of this Letter Agreement, the temporary single flowline referred to within the Fieldwood Letter (shall be referred to herein as the “Temporary Genovesa Single Flowline AFE”). The Temporary Genovesa Single Flowline AFE shall include, but is not limited to the following scope:

- a. Removal of existing jumper between Genovesa PLIS and Santiago PLEM1
- b. Installation of temporary jumper between Genovesa PLIS and Santiago PLEM2
- c. Removal of temporary jumper between Genovesa PLIS and Santiago PLEM2
- d. Installation of a permanent jumper between Genovesa PLIS and Santiago PLEM1 (as required for loop remediation)

The Temporary Genovesa Single Flowline AFE scope and operation shall be carried out by the LSPS Operator. Notwithstanding the terms of the LSPS OA to the contrary, such costs for the Temporary Genovesa Single Flowline AFE shall be billed by LSPS Operator to the Sole Benefit Operation Parties, based on the “Sole Benefit Operation Parties Equity Interest”, as defined below in Section 3. *LSPS Sole Benefit Operation Parties Equity Interest*, of this Letter Agreement.

The Temporary Genovesa Single Flowline AFE is attached hereto as Attachment 2 to this Letter Agreement. The Sole Benefit Operation Parties shall, simultaneously with execution of this Letter Agreement, execute the Temporary Genovesa Single Flowline AFE attached hereto as Attachment 2.

3. LSPS Sole Benefit Operation Parties Equity Interest

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Notwithstanding anything to the contrary in the LSPS OA, as it pertains to this Letter Agreement only, the LSPS Sole Benefit Operation Parties Equity Interest shall be as follows:

Fieldwood: 65.00%

Red Willow: 30.00%

HEDV: 5.00%

4. SA Jumper Removal AFE and Temporary Genovesa Single Flowline AFE Operations

The LSPS Operator shall carry out the SA Jumper Removal AFE and the Temporary Genovesa Single Flowline AFE work scope subject to the terms and conditions of the LSPS OA and the operational requirements for producing and handling Genovesa production at the Host are subject to the terms and conditions in the PHA.

5. Term

This Letter Agreement shall terminate once the LSPS is returned to the LSPS' Functional Capability and all operations and costs associated with the LSPS Reinstatement AFE, SA Jumper Removal AFE, and the Temporary Genovesa Single Flowline AFE have been completed and fully satisfied.

6. Conflict

Should there be a conflict between this Letter Agreement and/or the LSPS OA, and/or the PHA, the terms of this Letter Agreement shall prevail.

7. Successors and Assigns

This Letter Agreement shall be binding upon and inure to the benefit of each Party's heirs, devisees, agents, representatives, successors and assigns, trustees, attorneys, members, legal representatives, controlled or controlling persons, and/or any corporation, partnership, or other entity into or with which such Party has merged, consolidated, or reorganized.

8. Title and Headings

Titles and headings are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of the Letter Agreement.

9. No Amendment to the LSPS OA or PHA

This Letter Agreement does not alter or amend the terms of the LSPS OA or PHA.

10. Entire Agreement and Merger

The Parties agree that this Letter Agreement and its attachments constitute the full, final, and complete agreement and other matters addressed herein, and supersedes all other written or oral exchanges, arrangements, or negotiations between them concerning this Letter Agreement. The Parties further agree that there are no representations, agreements, arrangements, or understandings, oral or written,

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concerning the subject matter of this Letter Agreement that are not fully expressed, merged into, and incorporated herein.

11. Duplicate Counterparts

This Letter Agreement is executed in duplicate original counterparts, each of which when executed by each Party taken together shall be treated as an original and is to be effective as of the Effective Date; provided, however, a Party will not be bound by this Letter Agreement unless and until each signatory below has executed and transmitted to the other Parties a counterpart of both the Letter Agreement and the Attachments. An electronically transmitted copy of an executed original shall have the same force and effect as the original.

IN WITNESS WHEREOF authorized signatories of the Parties have executed this Letter Agreement in duplicate, as follows:

BP Exploration & Production Inc.

By: _____

Name: Aimee DiTommaso

Title: Attorney in Fact

Date: _____

Fieldwood Energy, Inc.

By: _____

Name: _____

Title: _____

Date: _____

Red Willow Offshore LLC

By: _____

Name: _____

Title: _____

Date: _____

Houston Energy Deepwater Ventures I, LLC

By: _____

Name: _____

Title: _____

Date: _____

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Attachment 1

Attached to that certain Sole Benefit Operation and LSPS Loop Reinstatement Agreement made effective January __, 2021, by and between BP Exploration & Production Inc., Fieldwood Energy LLC, Red Willow Offshore, LLC, and Houston Energy Deepwater Ventures I, LLC

SA Jumper Removal AFE Placeholder

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Attachment 2

Attached to that certain Sole Benefit Operation and LSPS Loop Reinstatement Agreement made effective January __, 2021, by and between BP Exploration & Production Inc., Fieldwood Energy LLC, Red Willow Offshore, LLC, and Houston Energy Deepwater Ventures I, LLC

Temporary Genovesa Single Flowline AFE Placeholder